

Message Text

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64

ORIGIN TRSE-00

INFO OCT-01 ARA-16 ISO-00 EB-11 L-03 SS-20 NSC-07 AGR-20

CIAE-00 COME-00 INR-11 LAB-06 NSAE-00 RSC-01 SP-03

STR-08 SWF-02 CIEP-03 FRB-03 OMB-01 SSO-00 NSCE-00

INRE-00 /116 R

DRAFTED BY TREAS:PSUCHMAN/JWALLAR:CLJ

APPROVED BY EB/OT/STA:JPCRAWFORD

EB/OT/STA:ECONSTABLE

ARA/BR:RBALLANTYNE(SUBS)

----- 045314

O 172012Z SEP 74 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA NIACT IMMEDIATE

INFO AMCONSUL SAO PAULO IMMEDIATE

AMCONSUL RIO DE JANEIRO IMMEDIATE

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E.O. 11652:GDS

TAGS:ETRD, BR

SUBJECT:FOLLOW UP TO COUNTERVAILING DUTY ORDER

REF: STATE 193339

1. TREASURY HAS PREPARED FOLLOWING EXPLANATION OF ADDITIONAL DATA NEEDED AS FOLLOW-UP TO COUNTERVAILING DUTY ORDER ON BRAZILIAN FOOTWEAR OF SEPTEMBER 12. EMBASSY SHOULD PASS TO FINANCE MINISTRY AND REQUEST REACTION AS SOON AS POSSIBLE. TREASURY WILL REPEAT SUBSTANCE OF EXPLANATION TO BRAZILIAN EMBASSY WASHINGTON WEDNESDAY NOON IN LETTER FROM DEPUTY ASSISTANT SECRETARY SUCHMAN TO COUNSELOR THOMPSON FLORES.

2. IN ORDER FOR THE TREASURY DEPARTMENT TO PLACE THE BRAZILIAN SHOE FIRMS SUBJECT TO COUNTERVAILING DUTY ORDER

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IN THE PROPER GENERAL EXPORT CATEGORY (I.E., TO DETERMINE

WHETHER THE 4.8 PERCENT OR 12.3 PERCENT ADDITIONAL DUTY IS APPLICABLE), TREASURY NEEDS FOLLOWING INFORMATION FOR MOST RECENT CALENDAR YEAR:

- (A) NAME OF FIRM/EXPORTER.
- (B) VALUE OF TOTAL SALES NET OF IPI AND ICM TAX CREDITS.
- (C) VALUE OF TOTAL EXPORTS NET OF IPI AND ICM TAX CREDITS.

3. IF DATA CITED IN PARA 2 IS NOT MADE AVAILABLE BEFORE ADDITIONAL DUTIES ACTUALLY IMPOSED, THE HIGHER COUNTERVAILING DUTY RATE (12.3 PERCENT) WILL BE APPLICABLE. DUTIES BECOME EFFECTIVE 30 DAYS AFTER PUBLICATION IN CUSTOMS BULLETIN (OCTOBER 26).

4. NO DATA IS REQUIRED FOR THE TWELVE FIRMS ALREADY ANALYZED. THEIR PRODUCTS WILL BE ASSESSED THE RATE CALCULATED ON THE BASIS OF DATA ON HAND. THE ENTERPRISES AND RATES ARE AS FOLLOWS:

BERLITZ LAUCK AND CIA LTDA. 12.3 PERCENT; KNACK, MULLER S/A 11.8 PERCENT; INDUSTRIOS DE CALCADOS BIBI LTDA. 11.7 PERCENT; CALCADOS LOUSANE LTDA. 10.3 PERCENT; CALCADOS PILOTO S/A 7.9 PERCENT; EBANE S/A 7.2 PERCENT; CALCADOS CATLEIA S/A 4.8 PERCENT; CALCADOS CIRO S/A 4.3 PERCENT; CALCADOS CAIRU S/A 4.3 PERCENT; INDUSTRIA DE CALCADOS ERNO S/A 3.6 PERCENT; REICHERT S/A 3.7 PERCENT; CALCADOS SUPERLY GAROTY S/A 3.5 PERCENT.

5. THE SPECIFIC INFORMATION THAT MUST BE SUBMITTED TO TREASURY FOR ANY FIRM TO DEMONSTRATE THAT IT RECEIVES A SMALLER COUNTERAVAILABLE SUBSIDY THAN THE RATE OTHERWISE APPLICABLE IS THE SAME AS THAT SUPPLIED THROUGH GOB BY COMMERCIAL AND INDUSTRIAL ASSOCIATION OF NOVO HAMBURGO FOR THE TWELVE SAMPLE FIRMS. THE INFORMATION IS AS FOLLOWS:

A. TOTAL VALUE OF RECEIPTS OF THE ENTERPRISE FROM ALL SALES OF SHOES NOT INCLUDING THE IPI AND ICM CREDITS GENERATED BY EXPORTATIONS.

B. TOTAL VALUE OF RECEIPTS OF THE ENTERPRISE FROM LIMITED OFFICIAL USE

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THE EXPORTATION OF SHOES, NOT INCLUDING THE IPI AND ICM CREDITS GENERATED BY EXPORTATIONS.

C. VALUE OF THE IPI CREDITS THE ENTERPRISE RECEIVED FROM EXPORTATION.

D. DIFFERENCE BETWEEN THE IPI CREDITS ACCUMULATED AT THE END OF THE PERIOD FROM THOSE AT THE BEGINNING

OF THE PERIOD.

E. VALUE OF THE ICM CREDITS THE ENTERPRISE RECEIVED FROM EXPORTATION.

F. DIFFERENCE BETWEEN THE ICM CREDITS ACCUMULATED AT THE END OF THE PERIOD FROM THOSE AT THE BEGINNING OF THE PERIOD.

G. TAXABLE PROFIT.

H. AMOUNT OF FINANCING UNDER RESOLUTION 71.

6. INFORMATION SUPPLIED IN ACCORDANCE WITH PARA 5 MUST BE FOR MOST RECENT TAX YEAR AVAILABLE.

7. THE COUNTERVAILING DUTY RATES WILL BE APPLIED ON AN F.O.B. OR EX-WORKS BASIS, WHICHEVER APPEARS ON THE INVOICE DOCUMENT FOR NORMAL CUSTOMS VALUATION PROCESS.

8. FOR ANY BRAZILIAN MANUFACTURER ENTERING THE EXPORT MARKET WITH NO RECENT HISTORY OF EXPORT ACTIVITY, TREASURY WILL SUSPEND CUSTOMS' LIQUIDATION OF SUCH IMPORTS UNTIL SUBSTANTIAL EVIDENCE IS AVAILABLE AS TO THE RATIO OF THE FIRMS' EXPORT SALES TO TOTAL SALES. THE NEW ENTRANT WILL THEN BE PLACED IN THE APPROPRIATE CATEGORY FOR ASSESSMENT PURPOSES.

9. EMBASSY SHOULD STRESS THAT, UPON REQUEST, TREASURY DEPARTMENT CAN TREAT INFORMATION SUBMITTED BY FIRMS AS BUSINESS CONFIDENTIAL IF ITS DISCLOSURE WOULD PROVIDE A SIGNIFICANT COMPETITIVE ADVANTAGE TO NON-RUBBER FOOTWEAR COMPETITORS. SINGLE REQUEST FOR CONFIDENTIAL TREATMENT LIMITED OFFICIAL USE

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FOR ALL FIRMS BY GOB WOULD SUFFICE. HOWEVER, RATES EVENTUALLY ESTABLISHED WILL HAVE TO BE MADE AVAILABLE TO INTERESTED PERSONS, PRIMARILY IMPORTERS, THROUGH APPROPRIATE OFFICIALS OF THE U.S. CUSTOMS. THESE RATES WILL NOT REPEAT NOT, HOWEVER, BE PUBLISHED.

10. TREASURY INTERESTED IN LEARNING FROM GOB AS SOON AS POSSIBLE WHAT CHANNELS GOB AND BRAZILIAN INDUSTRY WISH TO USE FOR TRANSMISSION OF DATA. MR. NOEL HEMMENDINGER, WASHINGTON ATTORNEY AND COUNSEL FOR IMPORTERS AND THE COMMERCIAL AND INDUSTRIAL ASSOCIATION OF NOVO HAMBURGO, HAS ALREADY CONTACTED TREASURY TO INQUIRE AS TO PROCESS FOR SUPPLYING DATA. TREASURY HAS MADE NO COMMITMENTS PENDING RESPONSE FROM GOB ON THIS MATTER. WE WOULD PREFER GETTING DATA FOR GENERAL CATEGORIZATION OF FIRMS--AS

OUTLINED IN PARA 2--AT ONE TIME FROM GOB, LEAVING TO
PRIVATE SECTOR PETITIONS FOR REDUCTION OF INDIVIDUAL FIRM
RATES. DATA SUPPLIED BY THE PRIVATE SECTOR SHOULD BE
SUBMITTED TO THE COMMISSIONER OF CUSTOMS. DATA SUPPLIED
BY THE GOB CAN BE SUBMITTED TO TREASURY FOR TRANSMITTAL TO
THE COMMISSIONER. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Concepts: FOOTWEAR, COUNTERVAILING DUTIES, DIPLOMATIC COMMUNICATIONS, GOVERNMENT REACTIONS, TRADE DATA, EXPORT SUBSIDIES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Executive Order: N/A
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Review Exemptions: n/a
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30 JUN 2005

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Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
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TAGS: ETRD, BR, TRSY, (SUCHMAN), (FLORES)
To: BRASILIA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005